

SUNSHINE PERIOD

MAR 18 2003

Kevin Martin,

If you really inherited your views from your father and his small business then you should have some sort of an idea of how to run a business fairly and equally. Apparently you have let your ego get the best of you. What you have done is create a nightmare and a mess. You really should not be involved in anything other than cafeteria and parking issues. You don't have a clue about fair competition rules and how they should work.

I hope you are never appointed Chairman of the FCC or anything else for that matter. You are a disappointment to the responsibility that was given you. Your actions are a lot like Bill Clinton's. I only hope that the nightmare that you have yourself created haunts you for the rest of your career. With what you have done, it should be a short one!

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FCC member not afraid of dissent Republican beat chief Powell in game of savvy

By Paul Davidson
USA TODAY

As racial issues shook the University of North Carolina-Chapel Hill campus in the late 1980s, Kevin Martin ran for student such run-of-the-mill concerns as cafeteria and parking problems. He won.

Last week, Martin, a Republican Federal Communications Commission member, rattled the telecommunications world by si pocketbook issues in a rancorous debate over phone competition rules. Martin's deal with two Democrats sank Republican C Powell's plan to deregulate the regional Bells.

The plan, consumer advocates feared, would have choked off local phone competition and raised prices by lifting the Bells' o their networks to rivals at sharp discounts. Rep. Billy Tauzin, R-La., called Martin a "renegade Republican." Powell said the improperly ceded authority to the pro-competition states.

Yet experts say Martin's victory underscores his political savvy. And it positions him to again play a pivotal role this spring considers easing caps to let big media companies get bigger.

Powell and Republican Commissioner Kathleen Abernathy are expected to back the deregulation, which may set broad rules by-case analysis of mergers. Many expect Democrats Jonathan Adelstein and Michael Copps to dissent. "I think Martin is lik swing vote again," says Legg Mason analyst Blair Levin.

A boyish-looking 36-year-old with sandy-blond hair and Harry Potter-style glasses, Martin for months has opposed Powell o issues. He issued a 17-page dissent with 97 footnotes on a satellite matter. Martin is comfortable splitting from Powell, FCC because of his ties to the White House. He was a lieutenant in George Bush's presidential campaign and a Bush economic ad Catherine, is Vice President Cheney's chief public affairs strategist.

Some FCC insiders say Martin's dissents spring from a desire to put his stamp on the agency and eventually become chairman abandoned his beliefs in the phone debate to guard Bush from backlash over rising phone rates in the next election. Martin v comment. But people close to him say his stances are rooted in a strong belief in states' rights and consumer welfare.

Privately, lobbyists and friends describe Martin as a courtly Southerner -- genial, down-to-earth and straightforward. "He'll a know where he's at," says AT&T's Robert Quinn.

Raised in a tiny rural town near Charlotte, Martin has said he inherited his free-market views from his father, a small busine getting a Harvard law degree, he joined a high-powered Washington law firm, then became an aide to former FCC commiss Furchtgott-Roth, also known for his brash dissents.

In 1999, he ditched his career to move to Texas and join Bush's then-long-shot campaign. "That surprised a lot of (us)," says friend. When the Florida recount put the outcome in doubt, Martin left for Miami so quickly he didn't pack a bag. Working r he could be seen on TV peering over ballot counters.

Bush nominated Martin to the FCC in April 2001. "Every once in awhile, I miss the excitement (of the campaign)," Martin magazine. "But the commission has lots of responsibility."

EDITORIAL • February 25, 2003

Wires crossed at FCC

Politics triumphed over good policy at the Federal Communications Commission (FCC) Thursday, when a majority of commissioners broke ranks with Chairman Michael Powell while voting on new regulations for local telephone companies. Mr. Powell had wanted the FCC to change the rules, but he was outmaneuvered by Commissioner Kevin Martin, a fellow Republican whose own plan got the support of two Democratic commissioners. The result of this jockeying of egos and agendas will be paralysis, because the plan that Mr. Martin & Co. approved will generate a flurry of court challenges around the country and stymie regulatory reform.

On the brighter side, the FCC did speak with one voice on broadband, or high-speed Internet. Mr. Powell, Mr. Martin and other commissioners supported dropping a requirement on the Baby Bells to lease out their fiber-optic cables for broadband to competitors.

But they significantly disagreed on rules for the local telephone market. Under Mr. Powell's plan, the FCC would have dropped a requirement on the Baby Bells to lease out, at government set and below market prices, part of their technological infrastructure to rivals. Mr. Powell urged commissioners to set a federal rule freeing the Baby Bells from having to lease out their switches, known as the brains of the telecommunications network.

Mr. Martin, on the other hand, proposed letting states decide what rules for the local phone companies should be. Mr. Martin's plan prevailed. And since the FCC, at Mr. Martin's bidding, failed to relax federal regulations, rules on telecommunication regulations will be fought out in state courts around the country. Many of these cases will then be heard by the 12 federal court of appeals and, finally, at the Supreme Court. The result will be a regulatory paralysis for several years.

And that apparently, is what the White House wanted. Relaxing leasing requirements on the Baby Bells would reinvigorate the industry as a whole and give companies new incentives to develop new technologies and modernize existing ones. But the White House, we have heard, feared that deregulation would cause a short-term rise in local telephone rates — right in time for the 2004 elections. So Mr. Martin, who campaigned for President Bush and whose wife is Vice President Dick Cheney's chief public affairs strategist, convinced the FCC to do what was best for the White House, rather than the industry. But eventually, the Baby Bells will prevail, because the courts, first the Supreme Court in 1999 and then the D.C. Court of Appeals in May, have generally ruled in favor of deregulation, pursuant to the 1996 telecommunications act.

In terms of broadband, the FCC appears to have done the right thing, by deciding that the Baby Bells would no longer be required to lease out modern fiber-optic technology for broadband service. This move by the FCC was overdue. Cable companies control about 60 percent of the broadband market, and they have misused their dominance by becoming the gatekeepers to the virtual world, limiting surfers access to certain Web sites.

But the FCC's failure to deregulate the local telephone industry at the federal level reflects a weakness in the White House's policy

shop. Apparently, they lack advisers expert enough to convey the policy short falls of a politically expedient argument.